2009 Annual Report

Five Years of Success

Northern Development Initiative Trust

Message from the Chair and CEO

It's been six years since Premier Gordon Campbell addressed Cabinet with the statement that "the purpose of the Northern Development Initiative is to give northern communities the funding, control and a mechanism to identify and pursue new opportunities for stimulating sustainable economic grown and job creation in their regions." Since then the legislation enabling the Trust has come into force, $185 million in capital was moved into this independent corporation outside government, and the Board and staff were mandated to "build it so they will come."

It's been five years since the Board first started to make decisions on projects investments that make a difference in helping communities reach their economic potential. So, how does Northern Development measure its impact?

This five year report measures goal achievement in terms of jobs, companies that have been supported in expanding with new export revenues, confident communities with increased influence, and stronger economic connections between local government, First Nations and business.

Central and northern BC is a more confident region of communities that collaborate rather than compete and are achieving more influence over their economic future on a national and provincial scale than they did just five years ago. Achieving success with the $400 million Northwest Powerline; successfully advocating for public break-bulk port facilities at Ridley Terminals; expanding several airports for logistics, tourism and mining industry growth; developing business cases for infrastructure and highways investments; and growing community economic development capacity and grant success. These are all part of positioning this vast region to maximize growth in the Northern Decade to 2020. Northern Development prides itself on its collaborative partnerships with the North Central Local Government Association, the provincial and federal government, industry, and all funders and foundations that support economically diverse communities and the quality of life that make rural communities the productive heart of our province.

This will be the decade that northern BC surges forward in the per capita revenue contribution to BC's economy, which pays for so many services for our urban neigbours as well as this rural powerhouse of a region. We have always led the province in terms of productivity and GDP contribution per capita, and with the resources that comprise the Northern Development Initiative Trust, the people of central and northern BC will play an even more important role in our collective provincial and Canadian prosperity.

Evan Saugstad
Chair

Northern Development Initiative Trust

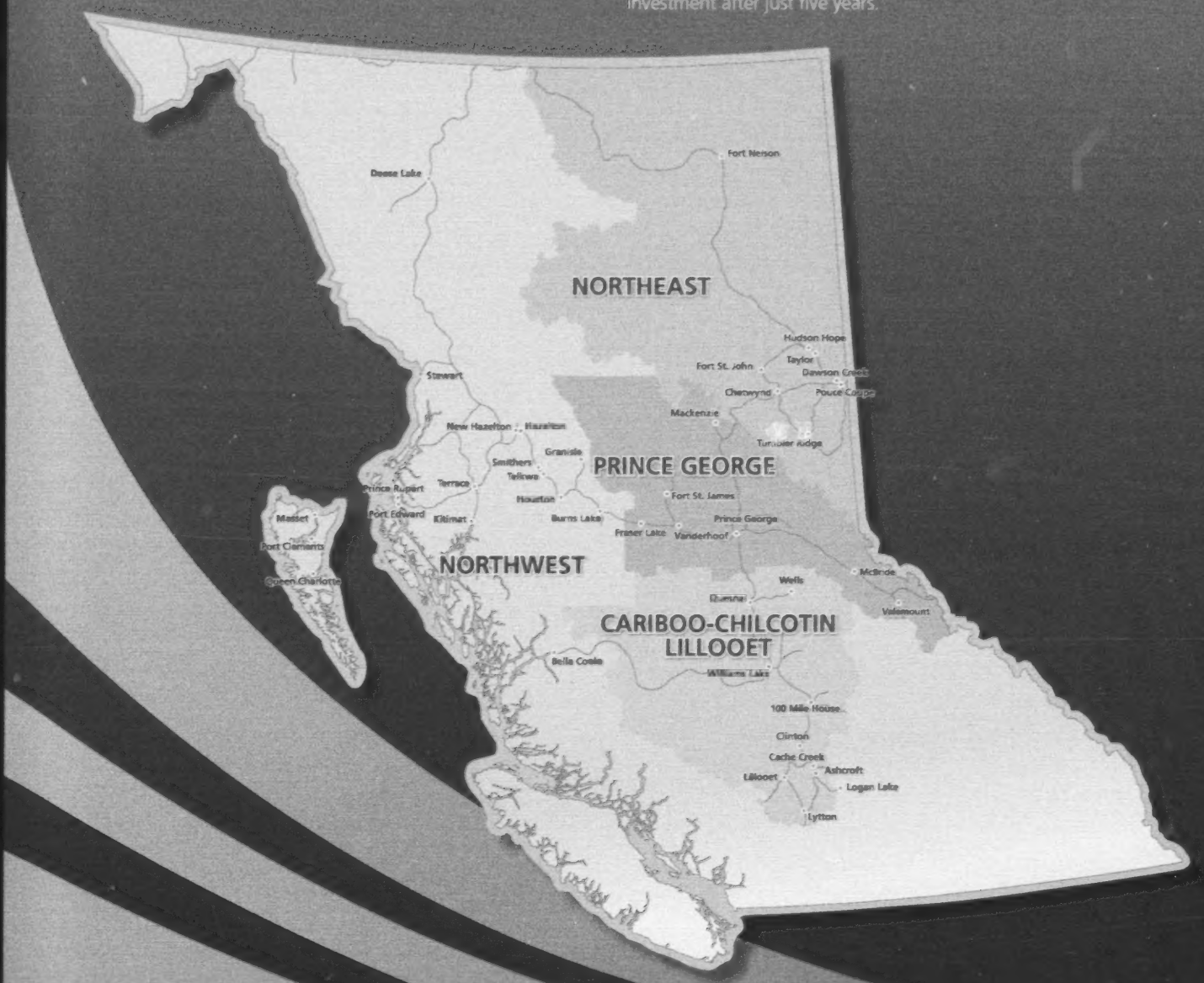
Janine North
Chief Executive Officer

Northern Development Initiative Trust

Introduction to Northern Development

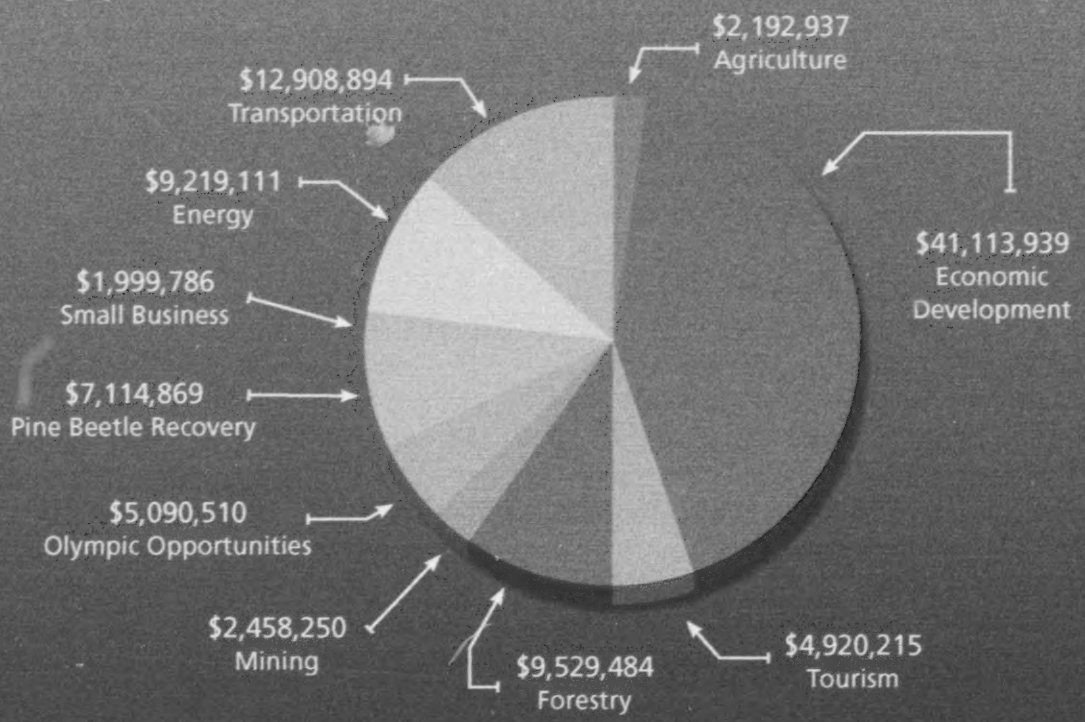
Northern Development Initiative Trust, more commonly known as Northern Development, was created as an independent corporation in 2004/2005. It was based on legislation from the Province of British Columbia and two deposits comprising a capital base of $185 million. It was centered on the principle that "The best economic development decisions for the North should be made in the North." Northern Development is a local mechanism to identify and pursue new opportunities for stimulating sustainable economic growth and job creation in the region.

$185 million was invested in financial instruments in 2005. The principle and investment income has been available for loans and grants. The total balance of the Northern Development Initiative Trust as of the end of December 31st, 2009 was $183.7 million. This is after $56.5 million has been disbursed into communities from inception to March 2010, creating a 31% return on the Province's investment after just five years.



$96.8M in Total Approved Project Investments

Funding by Investment Areas in Legislation



The inaugural funding application intake took place in the fall of 2005. Funding application intake has increased 700% over the first two years (2005 and 2006) combined.

Local intelligence compels strong decisions and effective resource allocation. Northern Development does not create any bureaucracy, but instead, maintains a strong focus on engaging communities as a partner to achieve mutual success.

Due diligence and funding decision time frames vary by complexity of program, ranging from a couple of days to a responsive two months.

Other agencies, such as Western Economic Diversification (Community Adjustment Fund program), and the BC Innovation Council (Young Innovator Scholarships), rely on the Trust to deliver funding based on its effectiveness and proven track record of success.

Project financial reporting is usually analyzed and cheques to project proponents processed within ten business days. Projects continue to report on measurable statistics, such as job creation, positive economic impacts and incremental revenue increases for five years from project inception. Fund disbursement has increased rapidly over the past five years.

The Northern Development Initiative Trust Act mandates investment in self-sustaining projects covering ten areas of the economy. These areas include Energy, Forestry, Mining, Olympic Opportunities, Agriculture, Transportation, Small Business, Tourism, Pine Beetle Recovery, and Economic Development. There are no specific targets for any of these areas, and Northern Development approves projects on their impact, sustainability, and individual merit as it pertains to each individual funding program.

In partnership with the Government of Canada and Province of British Columbia, Northern Development provided an $11 Million loan for expansion of the Prince George Airport

Vision and Mission

Northern Development's vision is that northern BC has world-class industries, diversified regional economies and growing, energetic communities. Northern Development's mission is to be a catalyst for northern BC to build a strong and diversified economy by stimulating economic growth through strategic and leveraged investments. Northern Development seeks to influence others to invest in economic development, to create a positive investment climate, and influence the types of growth that will be sustainable, diversify local economies, and benefit the people of the North.

Goals and Achievements over the First Five Years

Northern Development Initiative Trust's primary goal is to directly and through leveraged investment, bring between $1 and $2 billion into communities of the region to aid in realizing their economic potential by 2020, and to have a sustainable base of $185 million to do it again every decade. From inception in 2005 through March of 2010, total project funding of $96.8 million was approved. This has been leveraged with other funding to bring a total commitment of $888.7 million in project funding to the region over the past five years.

This goal entails achieving the following results by 2020 or sooner and progress will be reported annually:

1) Over 2,000 funding partnerships and 1,000 projects by 2020
   - There are currently 1,130 funders partnering with Northern Development to support 581 projects

2) Creation of 10,000 jobs by 2020
   - 3,892 jobs have been created to date, or 39% of goal (Table 7)

3) 100% of communities engaged and positively impacted
   - As of 2008, every community had projects that provide positive impacts. Impacts are reported every year for five years after funding commences

4) Leveraging ratio of at least $2.50 from other sources for every $1 invested in projects
   - Cumulative average is $1 from Northern Development to $9.28 from other sources

5) Return on investment (ROI) of 6% on invested funds
   - Average 2.6% over the five year period including the 2008/2009 stock market collapse, with 14.7% returns in 2009 with a conservative balanced portfolio (Table 9)

6) Average Return on Investment (ROI) of 5% annualized on cash flow out to projects divided by the starting capital base of the Trust
   - Current annual average is 5.9%, or 31% cumulative from January 2005 to March 31, 2010

7) To enable the hiring and training of at least 1,000 grant writers, and provide funding support to increase capacity for forty community economic development programs annually

- 850 grant writers trained to date, eighty-seven hired by communities from 2007 to 2009 and 50% of the 2009 positions are the twenty-seven grant writers in First Nations communities. Seventy-eight Community Economic Development Grants were issued in 2008 and 2009 (Table 4)

8) To facilitate the establishment of 2,000 additional hectares for industrial development

- 4,026 ha in industrial land has been facilitated in the Prince George region with the Airport Industrial Lands removal in principle from the Agricultural Land Reserve, and the Regional District of Fraser-Fort George Industrial Land studies funded by Northern Development

9) To streamline the "get to yes" process to less than ninety days for a complete application

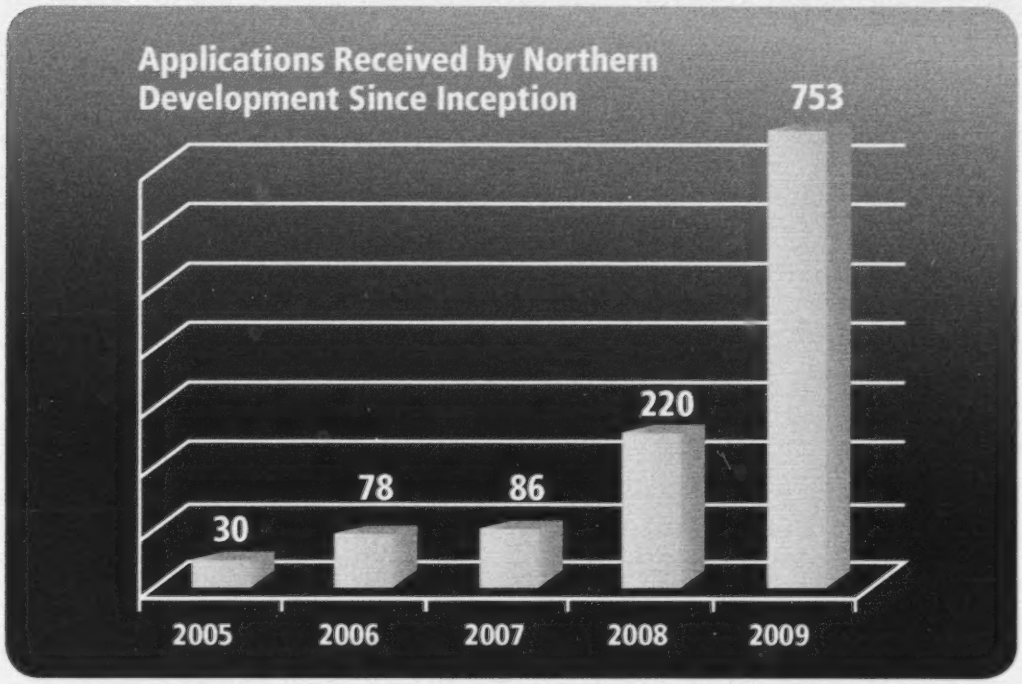
- Depending on the program, proponents receive decisions on applications within two to sixty days, 2010 upgrades to project management software will track exact dates and average time frames

10) To have projects in every mandated area of the legislation

- This was achieved by 2008 (Table 1)

11) To engage the private sector (business/investment dollars) in over 30% of all projects

- 26% of projects have investment from business as of March 2010



Goals and Achievements over the First Five Years ...cont.

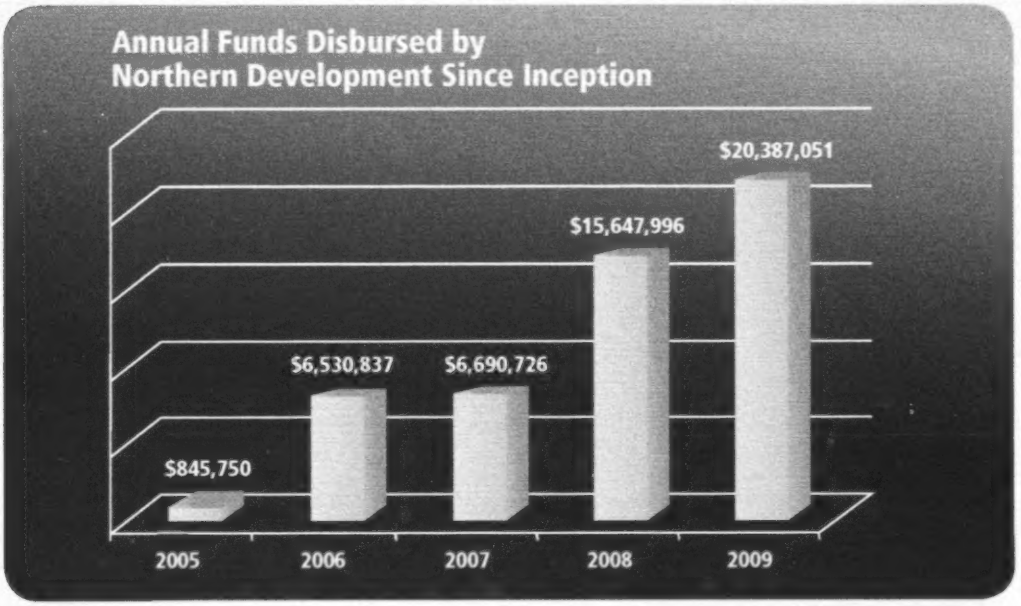
12) Strategic leadership and advisory/facilitation services for the region

Achieved annually with examples from 2009 including:

- Advocacy on streamlining senior governments environmental assessment processes to enable timelier decisions for major capital projects in BC
- Facilitating and communicating the community perspective that Ridley Terminals should remain a public asset and port/industry relationships need to improve
- Co-authoring a paper on "Northern British Columbia's Vision for Prosperity" and moderating a panel of the BC Business Council 2020 Final Summit
- Negotiating partnerships to deliver substantially more math/science scholarships in the North, expand the grant writing program to First Nations communities across BC, and a program to increase manufacturers and suppliers access to capital for expansion and increasing productivity
- Meeting with Federal and Provincial Finance and other Cabinet Ministers with budget and policy input that will benefit the region
- Delivering $30 million in Federal Community Adjustment Funding, the only non-government agency to do so in Canada
- Delivering a speech on northern priorities at the Premier's Economic Summit
- Co-chairing a coalition that successfully advocated for federal and provincial funding for Northwest Transmission Line development from Terrace to Bob Quinn
- Facilitating the business case work for up to $135 million in improvements to Highway 97 – Pine Pass
- Producing Investment Attraction Profiles for communities in northwest BC and the Cariboo
- Facilitating the development and the business case for the Wood Innovation and Design Centre
- Addressing speeches to the UNBC MBA Alumni and the Commerce Student Society
- Touring Provincial Deputy Ministers and Federal Ministers in northern BC and facilitating forums with industry executives
- Presenting a brief on the northwest economy and assisting mayors in advocating to provincial politicians for infrastructure and policy priorities
- Keeping the BC Chamber of Commerce and BC Business Council Executives informed on northern issues and opportunities

13) To know the top economic development opportunities in each region and provide exceptional client service

- Client satisfaction surveys will be delivered annually starting in 2010 striving for a 90% approval rating



Financial Structure

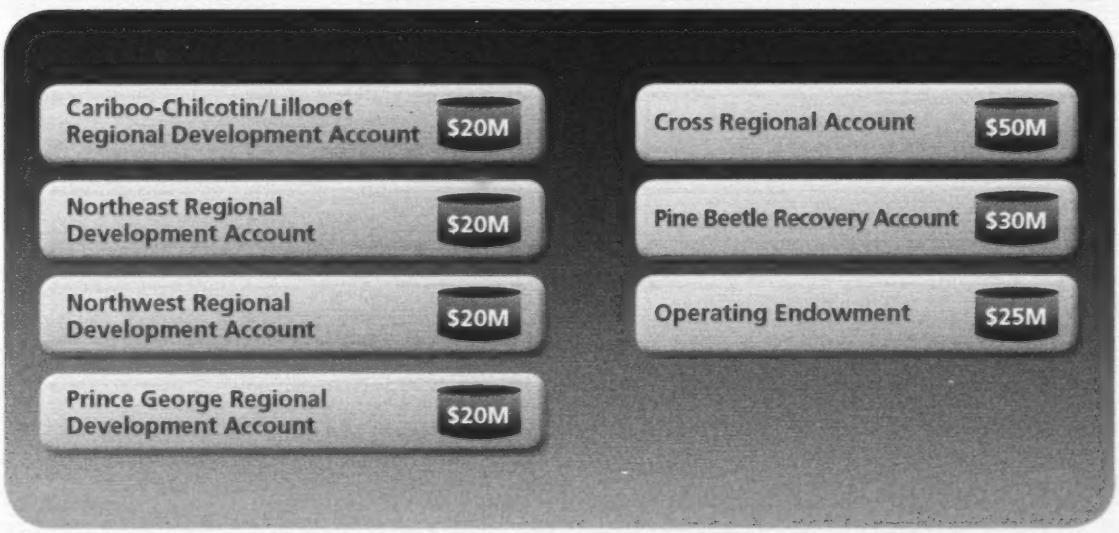
Northern Development is managed as an independent and sustainable regional economic development corporation. Accounts are invested in financial markets and regional projects to ensure Trust sustainability, and returns are generated to align with funding outflow.

Investment income is earned through interest and the growth of equity investments. Northern Development maintains a balanced investment policy that allows for 50% of investments in fixed income financial instruments and 50% in equities.

Northern Development's investments are managed by SEI Investments Canada Co., an investment firm which employs a "manager of managers" investment strategy and manages a total portfolio of over $4 billion. SEI selects top investment managers in each asset class globally and gives each of them a mandate to make investment decisions within a certain style. This combination of styles enhances overall diversification and serves to reduce risk, while benefiting from the broader market performance.

Positive investment income and revaluation of long term investments from inception to December 31st, 2009 is $17.9 million, despite the global market collapse of late 2008. Investment income for the calendar year of 2009 was $20.7 million, with $16 million in equity growth and $4.7 million in interest earned as global markets recovered.

Initial Capital Infusion by the Province of British Columbia, 2005



Governance Model

The Northern Development Initiative Trust is governed by a board of directors appointed by Regional Advisory Committees and by the Province. The Board meets quarterly in person and by telephone conference as required. The Board is composed of elected local government officials and business leaders representing all areas of central and northern British Columbia. The Board is responsible for Northern Development's strategic direction, policy decisions, and effectiveness.

There are eight directors on the Northern Development Board appointed by the four Regional Advisory Committees:

Appointed by Regional Advisors

Evan Saugstad
Chair
Mayor, Chetwynd

Lori Ackerman
Councilor, Fort St. John

David Pernarowski
Mayor, Terrace

Ted Armstrong
Director,
Cariboo Regional District

Lance Hamblin
Director,
Regional District of
Bulkley-Nechako

Dan Rogers
Mayor, Prince George

Mitch Campsall
Mayor,
100 Mile House

Stephanie Killam
Mayor,
Mackenzie

There are five directors on the Northern Development Board currently appointed by the Province:

Appointed by the Province

Lita Powell
Vice Chair, Taylor

Michael Tarr
Finance Committee Chair,
Prince Rupert

Fred Punko
Prince George

Currently Vacant: Cariboo Region and First Nations Appointees

The Northern Development Board is also advised by the four Regional Advisory Committees (RACs) that each elect two directors to the Board. The four RACs are comprised of sixty-four locally elected leaders from each of the regions. The current list can be found at: ***http://northerndevelopment.bc.ca/our-team/regional-advisors***. The Cariboo Chilcotin/Lillooet fund is advised by eighteen elected regional advisors, the Northeast fund by twelve, the Northwest fund by twenty-two, and the Prince George fund by twelve. Regional advisors meet quarterly to review funding applications, policy recommendations, strategic plans, and to discuss regional economic development issues.

Local and regional intelligence, a low level of bureaucracy, and a strong focus on engaging communities as partners enable our highly effective funding delivery model.

Northern Development's first project investment, the Valemount Visitor Information Centre is a 3,600 sq ft facility focused on promoting local and regional tourism while also including new municipal offices.

Economic Diversification Infrastructure

Charles Jago Northern Sport Centre, Prince George is a major capital project funded via the Economic Diversification Infrastructure program

The Economic Development Infrastructure Program supports the construction of infrastructure throughout the region that directly diversifies the economy. This program directly creates new jobs and increases revenues in the Trust region, supports the diversification of local and regional economies through infrastructure and capital investment, and is accessible to organizations throughout central and northern BC, particularly those located in small communities and rural areas.

Five years at a glance

Approved Project Investments	91 Projects
Total Funding Invested	$47.8 Million
Total Investment Attracted to Region	$269 Million

40 Communities, 9 Regional Districts and 20 First Nations

"We are extremely grateful for the funding assistance from Northern Development, whose staff and Board of Directors understand the value of the agriculture industry to Northeast BC and the challenges to reconstructing the Northeast Regional Auction Mart during difficult economic times. Without their financial support, we could not have proceeded."

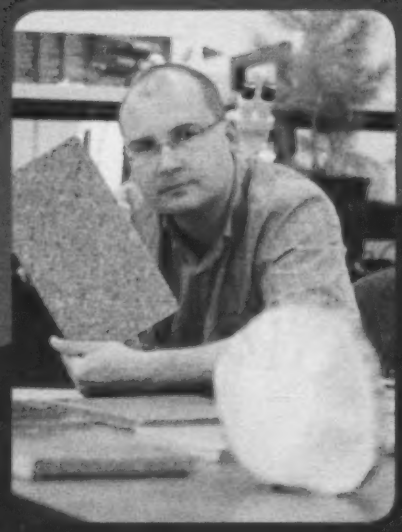
Connie Patterson, President, Dawson Creek Exhibition Association

Feasibility Studies or Marketing

The Feasibility Studies or Marketing Program lays the groundwork and informs major infrastructure projects and capital investment in the region to increase revenues generated from outside central and northern BC. Up to $20,000 can be provided to feasibility studies which identify the need and business case for future infrastructure projects, or marketing initiatives which will attract new investment and directly increase revenues in the region.

Five years at a glance

Approved Project Investments	56 Projects
Total Funding Invested	$1.75 Million
Leverage $1.00 Northern Development to	$11.50 Other Sources
Total Investments to the Region	$20 Million



Northern Development supported commercialization of innovative "wood concrete" using pine beetle wood with 2008 funding to the University of Northern British Columbia.

"We have accomplished a great deal with the funding that Northern Development has provided us in terms of employment, skills training, raising more funds, product development, publicity and business development. Throughout the past year, the UNBC team has been very successful in accomplishing all its objectives and goals towards the commercialization of pine beetle concrete."

Dr. Alex Ng, Commercialization of Wood Concrete Products, University of Northern British Columbia

Industry Attraction

The Industry Attraction Program improves investment readiness within the region and empowers communities to take a strategic approach to targeting industry attraction with matching grants up to $20,000. Funding aids communities in identifying local strategic advantages, understanding the needs of the target industry and how they can meet those needs, and to implement focused marketing discussions with senior executives at targeted companies.

Five years at a glance

Approved Project Investments	6 Projects
Total Funding Invested	$68,000
4 Communities	

"Northern Development's annual Capacity Building program enables our municipality to permanently staff an Economic Development Officer, which is critical to our community's ability to retain and expand local businesses, attract investors, secure funding for major infrastructure projects, and ensuring strong relationships with the private sector, non-profits, First Nations, and government agencies."

Mayor Gerry Thiessen, District of Vanderhoof

Economic Development Capacity Building

Economic Development Capacity Building is annual funding up to $30,000 supporting economic development capacity in municipalities and regional districts. This incremental funding goes directly towards in-house economic development activity, with further funds allocated to promote collaborative projects between communities or economic development organizations and any other partners including business.

Five years at a glance

Approved Project Investments	97 Projects
Total Funding Invested	$3.2 Million
40 Communities and 7 Regional Districts	

Grant Writing Support

The Grant Writing Support Program supports seventy communities each year with a $7,500 grant to hire a grant writer to increase the grant monies flowing into central and northern BC. In addition, there is a goal to train 1,000 individuals in grant writing across the province by 2020. This program adds additional capacity to respond to community priorities and non-profit requests, and dramatically increases the success communities have in applying for grants from community funding sources.

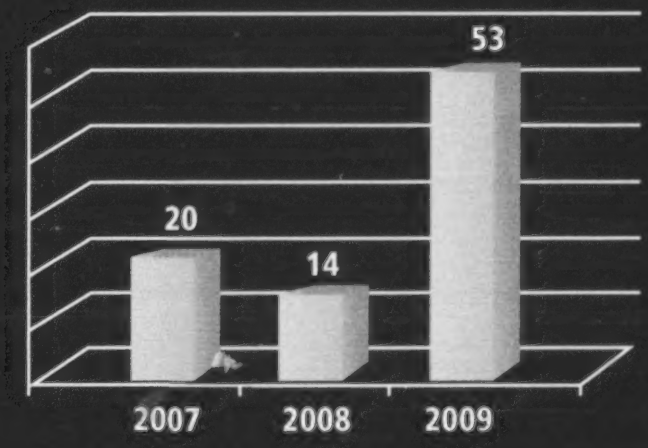
Five years at a glance

127 grant writers sponsored to date; 81 in communities and 46 in First Nations
$25.2 Million in grants applied for
Over 400 grant writers trained

Although community spirit drives the vision and success of many local projects, funding is a challenge when your town is so very small. This is where the Grant Writing Support program has been a great partnership with Northern Development, already bringing $400,000 of grant money into our community. We have achieved a 91% success rate with our grant applications.

Charlene Vandean,
Grant Writer – Logan Lake

Grant Writing Positions Funded Since Program Launch in 2007



Investment in the Round Lake Community Hall in the rural community of Quick is allowing the hall to increase the numbers and types of events it hosts.

Community Halls and Recreation Facilities

The Community Halls and Recreation Facilities Program improves the sustainability and event hosting capacity of facilities that generate revenues for non-profits and the tourism sector. This, in turn, creates revenues and improves the quality of life for local residents. This program is also accessible to all rural areas that would not usually have an opportunity to develop larger economic development infrastructure projects. Grants up to $30,000 are provided and loans for larger amounts may be available.

Improvements to the 99 Mile Ski Trails have positioned the facility for major winter sports event hosting in 100 Mile House, BC

Five years at a glance

Approved Project Investments	61 Projects
Total Funding Invested	$3.8 Million
Total Investment Attracted to Region	$31.6 Million

Northern Development Initiative Trust partnered with the City of Prince Rupert in 2009 to modernize and increase the seating in the Russell Gamble Gymnasium, the main venue for the All Native Basketball Tournament

Northern Development's $1.65 million loan for major facility upgrades at the Sam Lindsay Aquatic Centre will return funds over the next 10 years to the District of Kitimat's Northern Development account. This will allow the community to invest in many more important initiatives in coming years and engage in further partnerships with the provincial and federal governments to support needed infrastructure in the community.

Northern Development has invested $3 Million in funding towards upgrades at the Terrace Sportsplex which has dramatically increased the number of conventions, training events, and hospitality sector revenues in Terrace.

Community Foundations and Matching Grants

The objective of the Community Foundations and Matching Grants Program is to assist municipalities and regional district electoral areas in Northern Development's region in establishing or growing a community foundation endowment that supports local social, cultural, environmental needs, and empowers local decision making. These investments will exist in perpetuity, and promote local decision making within the community foundation framework to meet local needs. This creates another source of long-term funding to maintain local wealth within the community and create positive economic and social outcomes.

Five years at a glance

18 community foundations with $791,338 in funding matching local fundraising

14 new community endowments established

"As a result of Northern Development's Competitiveness Consulting Rebate with the Business Development Bank of Canada, GLC Controls has identified opportunities for greater productivity and competitiveness, we have grown our business and we are successfully competing in markets that were previously inaccessible."

Kam Ghuman, Chief Executive Officer, GLC Controls, Inc. – Prince George

Competitiveness Consulting Rebate

The Competitiveness Consulting Rebate Program was developed in partnership with the Business Development Bank of Canada. This program provides the manufacturing and resource sector supply chain with 50% rebates for management consulting expertise to expand operations and improve profitability. It helps manufacturers, processors, and their suppliers grow their businesses, implement world-class business practices and increase competitiveness in global markets. This is a customized solution to suit unique business requirements and provides access to regional and national consultants with a verified track record of expertise.

Five years at a glance

Approved Consulting Projects for Business	46 Projects
Total Rebates to Business Invested	$310,482
Total Invested by Business in Consulting Contracts	$620,964

Capital investment and Training Rebate

The Capital investment and Training Rebate Program incents direct job creation through support of new investment and workforce expansion within central and northern BC's manufacturing sector. This program allows manufacturers, who are the wealth creating base of our economy, to train an expanding workforce and increase productivity.

Five years at a glance

Approved Project Investments	17 Projects
Job Creation	800+ Jobs
Total Funding Invested	$7.8 Million
Total Investment Attracted to Region	$78.4 Million

"The Northern BC Business Advantage program gave us the confidence and support we needed to successfully start up our sawmill."

Ken Shields, Chief Executive Officer, Conifex Inc. – Fort St. James

"Northern Development's program is supporting our company's effort to expand our operations. With the training and equipment rebate funding, we can increase our production and further integrate supply planning, procurement and logistics into All-Wood's suite of products and services."

Leonard Legault, President and Chief Executive Officer, All-Wood Fibre Ltd.

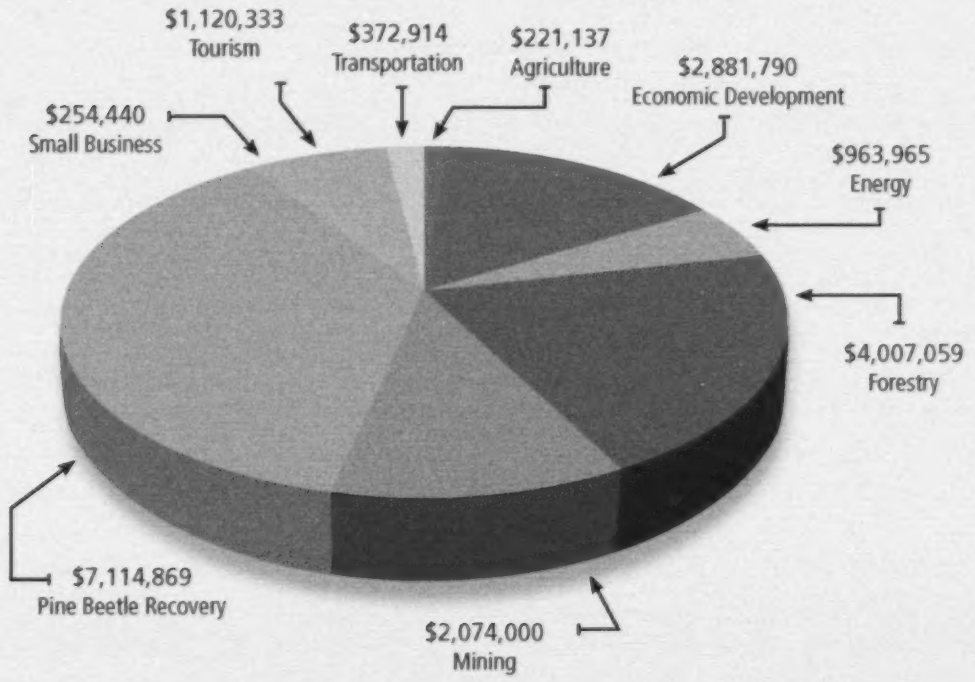
"Northern Development clearly recognizes the challenges facing businesses who are looking to hire and train new workers with their Capital Investment and Training Rebate program. This funding plays an important role in our ability to move forward with this project."

Marcel Therrien, Director, Pioneer Biomass – Williams Lake

Pine Beetle Diversification Funding

Pine Beetle Diversification Funding ensures that resources exist for communities, First Nations and businesses to diversify economies impacted by the Mountain Pine Beetle. Priorities and strategies that have been crafted by the Cariboo-Chilcotin Beetle Action Coalition, the Omineca Beetle Action Coalition or the Southern Interior Beetle Action Coalition support the Board in decision making on applications that come forward to this Northern Development funding account.

Pine Beetle Recovery Investment by Mandated Areas



Five years at a glance

Approved Project Investments	61 Projects
Total Funding Invested	$19 Million
Leverage $1.00 Northern Development to	$6.40 Other Sources
Total Investment Attracted To Region	$121.6 Million

Green Energy

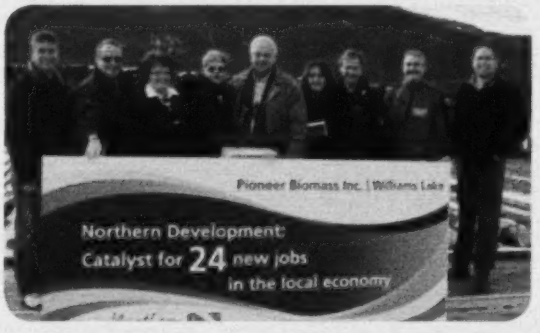
Northern Development has committed over $23 million to 'green energy' projects in the region through its various programs. Renewable green energy, including products like wind, pellets, and heat or electricity from biomass are opportunities to diversify exports from the region's forest industries. Forest companies in northern BC are among the most knowledgeable and efficient in the world. Greater utilization of wood fibre has improved competitiveness, reduced exposure to energy markets, minimized the region's carbon footprint and commercialized new technologies.

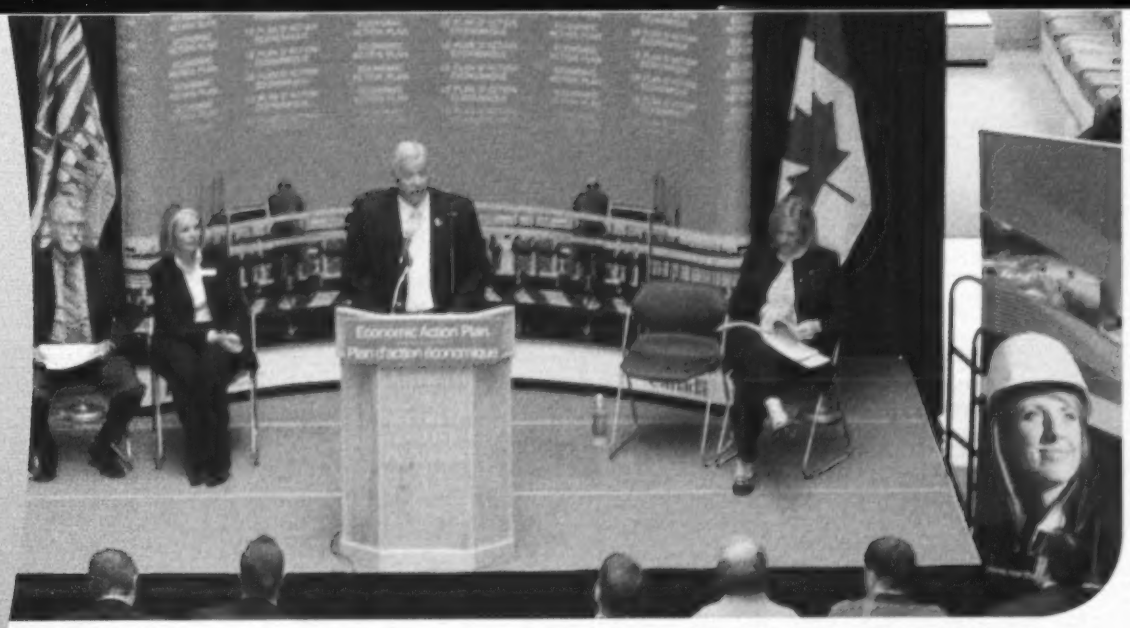
Green Energy Project Funding Partnerships

Project	Proponent	Grant	Loan	Total Project
Wind Turbine Manufacturing	City of Dawson Creek	$9,525		$19,050
Wind Turbine Manufacturing	City of Terrace	$16,672		$43,857
Creation of Regional Forestry-Energy Hub	District of Fort St James	$20,000		$40,000
Pellet / Fingerjoint Plant Expansion	Northwest Wood Preservers		$2,000,000	$6,500,000
Rural & Remote Green Heat Initiative	Community Futures - North Cariboo	$86,041		$287,602
Biomass Harvesting Project	Pioneer Biomass		$1,150,000	$3,244,974
Chetwynd Green Energy Project	Del-Tech Manufacturing		$1,400,000	$4,000,000
Mackenzie Thermal Oil Project	Del-Tech Manufacturing		$5,500,000	$15,060,000
Diversified Biomass Decontamination	Pinnacle Pellet Meadowbank Inc		$250,000	$733,700
District Heating Project	District of Houston	$250,000	$250,000	$2,400,000
Specialty Sawmill and Power Co-Generation	Gitxsan Treaty Society	$8,000		$30,000
Beneficial Use of Landfill Gas for Greenhouses	Regional District Fraser Ft George	$7,500		$75,000
Rural & Remote Green Heat Initiative	Community Futures - North Cariboo	$20,000		$287,602
Hog Fuel Production & Supply Expansion	Cariboo Waste Products	$62,549		$579,716
Baldy Hughes District Heating	BC New Hope Society	$246,568	$173,397	$1,316,100
Wood Fibre Production & Supply Start-Up	Pioneer Biomass	$240,000		$5,704,093
Cylindrical Dowel Manufacturing Start-Up	Sunrise Bioenergy Ltd.	$37,369		$241,718
Institutional Heating Product Development	BID Group of Companies	$120,000		$889,100
Fibre Procurement Facility Expansion	All-Wood Fibre	$110,000		$2,741,973
District Energy System	City of Prince George		$3,000,000	$19,406,950
Export Focused Modernization	Conifex		$8,500,000	$32,288,000
		$1,234,224	$22,223,397	$95,889,435

It is through new initiatives, like those supported through Northern Development Initiative Trust, that we will be able to find ways to create new investment in our communities and keep people working throughout the Cariboo-Chilcotin."

Donna Barnett, MLA for Cariboo-Chilcotin





Partnerships

Northern Development has forged many strong partnerships with senior government, industry associations, and other economic development organizations over the past five years. Partners have been attracted to the strong performance, regional relationships, and low cost delivery offered by Northern Development.

The Community Adjustment Fund is a $30 million funding delivery contract with the Government of Canada to support economic stimulus in the region. This includes $10 million in grant money for communities and non-profit organizations, and $20 million in five year loans to businesses. The result is a staggering 1,790 jobs immediately created in Northern Development's region. Program funding will flow into the region until March of 2011.

The Northwest Powerline Coalition is a $274,250 partnership between the private sector, First Nations, communities, and non-government agencies focused on building the Northwest Powerline. This Powerline will enable future investment in the region through providing the necessary infrastructure to service up to $15 billion in new industry investments in British Columbia's northwest.

A $250,000 partnership with the New Relationship Trust has enabled Northern Development to extend the **Grant Writing Support program** to reach First Nations communities across British Columbia.

A Partnership with the BC Innovation Council has provided $225,000 in scholarships through the **Young Innovators program**. This supports innovation and entrepreneurship through $4,000 scholarships allowing grade 12 students with innovative ideas to pursue post-secondary education in their chosen scientific field.

The Prince George Airport Lands Agricultural Fund will grow over the next ten years to a fund of up to $8 million that facilitates logistics and agricultural sector growth in the Prince George region.

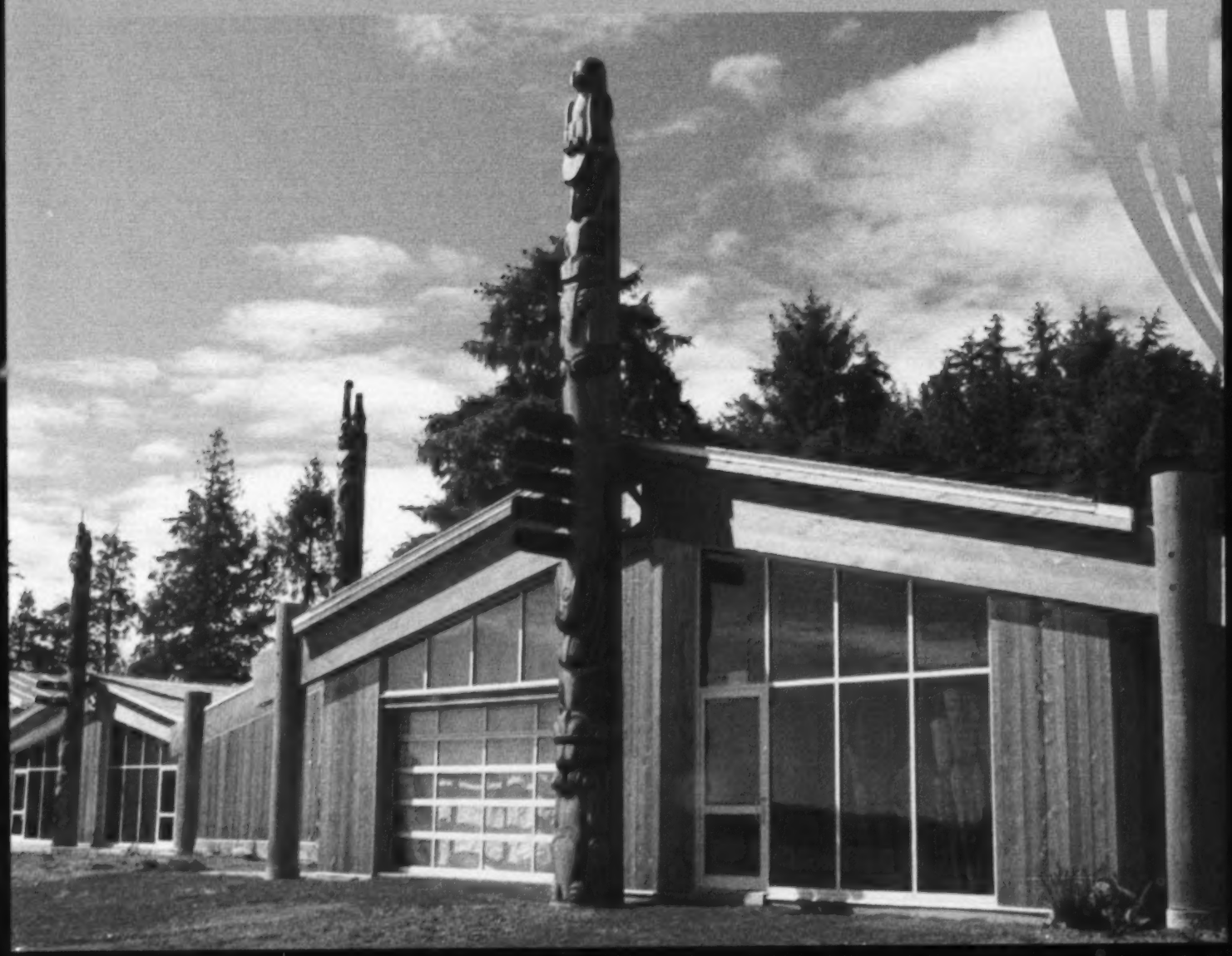
Other partnerships, such as **collaborative funding delivery** with Enterprising Non-Profits, bursary collaborations with each of the five post-secondary institutions in the Northern Development region, and the **Northern Opportunities Trades Training program**, all contribute to the strategic success and economic diversification of our region.

Northern Development works directly with communities, economic development commissions, First Nations, Invest BC, BC Rural Secretariat, and the Department of Foreign Affairs and International Trade to produce economic development and investment attraction material. These include Investment-Ready Community Profiles, Industry Sector Profiles for transportation and logistics, bioenergy and mining, and Investment Opportunity Profiles.

First Nations Involvement

Northern Development has invested $9.7 million into eighty-nine economic development projects that are funded or directly led by First Nations. The organization also connects business directly with First Nations and incorporated communities. Northern Development is partnering with the New Relationship Trust to expand the Grant Writing Support program to aboriginal communities across all of British Columbia. In 2009, twenty-seven of the fifty-three grant writers were placed in aboriginal communities and the number of grant writers is expected to dramatically increase again in 2010.

"$2 million in loan funding and grant support from Northern Development for exhibit development at the Haida Heritage Centre at Kaay Llnagaay has enhanced the Centre as a global tourist attraction for Haida Gwaii."
- Miles Richardson, Chair of the Haida Heritage Centre – Skidegate



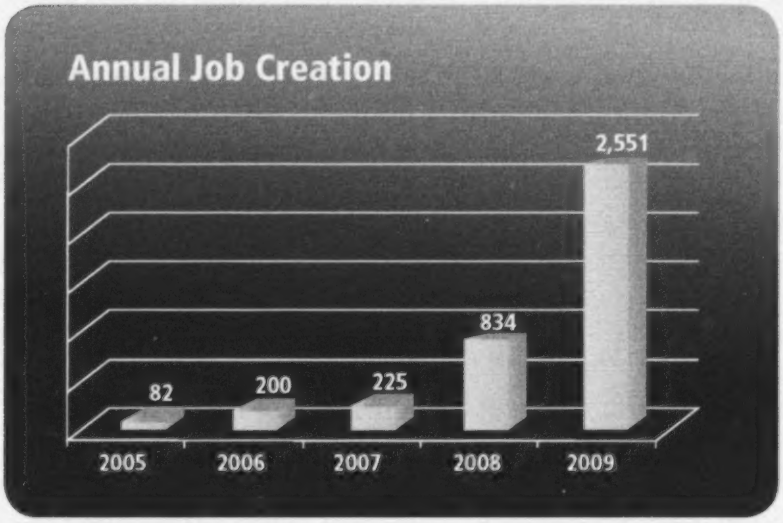
Impacts – Success to Date

"Northern Development has delivered exactly what it promised our business – non-bureaucratic, responsive and business-friendly programs and investment decisions that have greatly helped our manufacturing businesses diversify and expand."

Keith Spencer, Director of Operations for the BID Group of Companies – Vanderhoof

Over the first five years of operations, Northern Development has approved over $96.8 million in funding with $56.5 million already disbursed to project proponents (to March of 2010). This has leveraged over $888 million in funding to the region from other sources.

Northern Development continues to develop new partnerships, to increase the effectiveness of its programs, and to influence strategic economic growth in the region. Northern Development is almost halfway to reaching its 2020 goal of creating 10,000 jobs. Job creation is the prime motivator behind funding approvals, and statistics are reported back to Northern Development from project proponents for five years from project inception.



"Northern Development's loan funding is enabling Vanderhoof Specialty Wood Products to construct a $5.5 million pellet plant that will utilize 100% residual waste from beetle killed forests. The project is creating sixty permanent finger-joint manufacturing jobs, twelve new permanent jobs at the pellet plant and twelve jobs during the capital construction phase."

David Fehr, President,
Northwest Wood Preservers – Vanderhoof

Future Directions

Northern Development is ever increasing its economic development repertoire to further enable strategic impact. Future directions include:

The Community Economic Development Internship Program

- This is an innovative program that will mentor future university grades from central and northern BC into economic development and local government positions to build community capacity for economic development and attracting capital investment.

First Nations Grant Writer Expansion Partnership

- The successful Grant Writing Support Program will be expanded to reach First Nations communities across the province in partnership with the New Relationship Trust.

Expansion of Investment Attraction Partnerships with Invest BC

- This program has been developed in-house to improve communities' industry readiness and investment attraction marketing. Materials are continually being developed to improve communities investment profiles and to measure their success to date.

Catalyst Enterprise - Level Funding Management Software

- The development of this proprietary software provides electronic integration of applications, due diligence, automated contract development and project financial management. Continuous improvement provides efficiencies in electronic reporting on project measurables such as job creation, incremental revenue increases, and web publishing of project success and investment attracted.

Northern Industry Expansion Program

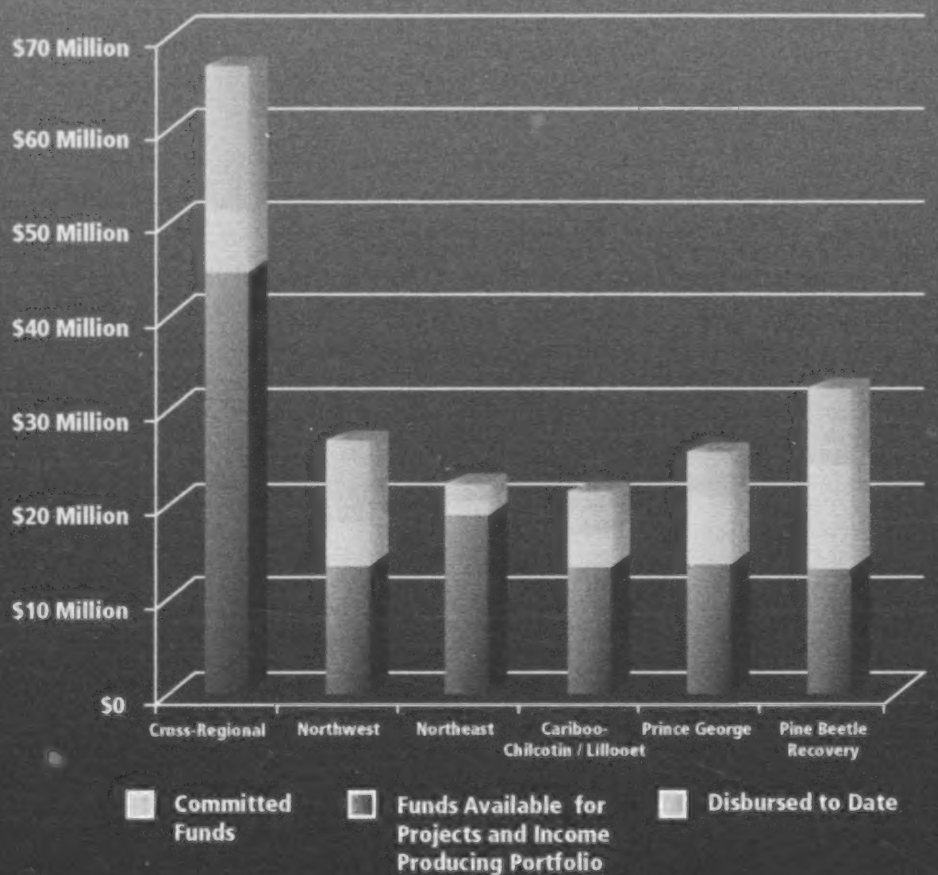
- The Northern Industry Expansion program is a developing partnership with the Business Development Bank of Canada which will help central and northern BC's manufacturing businesses and suppliers access up to $200 million in incremental capital over the next decade to grow in today's global marketplace.

- The loan guarantee partnership agreement will target small and medium-sized businesses in northern and central BC's resource processing, manufacturing and supply sectors. It will provide business with the opportunity to access loan guarantees of up to 25% from Northern Development to expand the capital pool offered by the Business Development Bank of Canada and other partner financial institutions. A total of $15 million has been set aside for this purpose.

Summary by Account

The following represents the balances remaining in each of the Northern Development restricted funds at December 31st, 2009. The totals include original funds invested, investment income, and loans receivable compared with project commitments to demonstrate the balance available for future funding opportunities.

Funds Available as of December 31st, 2009



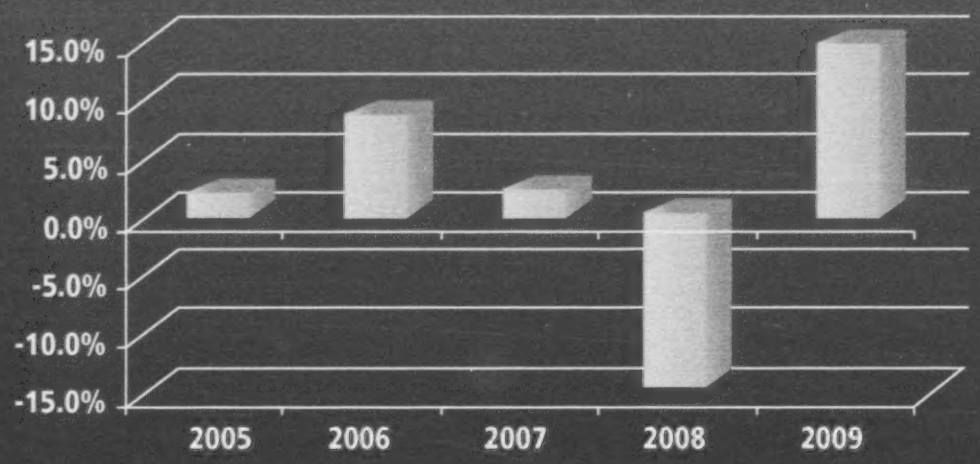
Northern Development's primary goal of directly, and through leveraged investment to bring between $1 and $2 billion into communities of the region by 2020, and have $185 million of seed money to do it again every decade is closer every day. This entails the creation of 10,000 jobs, a return of investment of 6% on invested funds, 1,000 projects and over 2,000 funding partnerships.

Return on Market Investment Portfolio

Northern Development remains committed to flexible and unique funding programs that serve to increase investment in central and northern BC and diversify local economies and benefit residents. With a current return on investment of 31% in terms of funding outflow divided by the initial capitalization of $185 million and over 4,000 jobs created, Northern Development is achieving the Board's goals.

Most impressive, however, is that the current investment portfolio and loans receivable are 99% of the original fund balance after disbursement of over $56.5 million in project funding. Northern Development is truly a catalyst for northern opportunities and demonstrates that "the best decisions for the North can responsively be made by leaders in the North."

Return On Market Investment Portfolio



Northern Development Staff

Janine North	Chief Executive Officer
Dennis Callaghan	Chief Financial Officer
Brodie Guy	Economic Development Manager
Dean McKinley	Economic Development Manager
Karen Borden	Executive Coordinator
Nadine Sharma	Financial Coordinator
Jeanette Stanley	Client Services Clerk
Holly Hill	Financial Analyst

Investment Managers

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70 York Street
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Auditors

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AUDITORS' REPORT

To the Board of Directors of
Northern Development Initiative Trust

We have audited the balance sheet of Northern Development Initiative Trust as at December 31, 2009 and the statements of operations and fund balance and cash flow for the year then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2009 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte - Touche LLP

Chartered Accountants

Prince George, British Columbia
January 29, 2010

NORTHERN DEVELOPMENT INITIATIVE TRUST
STATEMENT OF OPERATIONS AND FUND BALANCE
year ended December 31, 2009

	Unrestricted	Endowment		
	Operating	Operating Endowment Account	Cross Regional Account	Pine Beetle Recovery Account
REVENUE				
Investment income	$ 835,214	$ -	$ 1,186,954	$ 695,334
Interest income - project loans	-	-	495,745	4,828
Corporate contributions	-	-	-	-
Other income/recoveries	176,429	-	-	-
	1,011,643	-	1,682,699	700,162
EXPENDITURES				
Board costs	58,423	-	-	-
Capital expenditures	128,534	-	-	-
Communication	5,908	-	-	-
Consulting	88,391	-	-	-
Direct project costs	-	-	5,616	3,606
General administration and office	312,016	-	-	-
Insurance	19,944	-	-	-
Legal and accounting	13,850	-		
Regional advisory committees	30,737	-	-	-
Salaries and benefits	867,723	-	-	-
	1,525,526	-	5,616	3,606
Grants and loans (Schedule 1)	-	-	2,820,268	7,040,045
Less: Repayable portion	-	-	(1,489,677)	(2,807,084)
Net grants	-	-	1,330,591	4,232,961
REVALUATION OF INVESTMENTS TO MARKET	2,576,122	-	3,772,813	2,222,132
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	2,062,239	-	4,119,305	(1,314,273)
FUND BALANCE, BEGINNING OF YEAR	632,398	25,000,000	47,470,112	23,800,848
TRANSFERS TO (FROM)	(2,000,000)		-	2,000,000
FUND BALANCE, END OF YEAR	$ 694,637	$ 25,000,000	$ 51,589,417	$ 24,486,575

Restricted					Total	
Cariboo-Chilcotin Lillooet Regional Development Account	Northwest Regional Development Account	Northeast Regional Development Account	Prince George Regional Development Account	Other Trust Funds	2009	2008
$ 490,452	$ 404,377	$ 564,772	$ 528,982	$ 10,775	$ 4,716,860	$ 7,816,050
-	-	-	-	-	500,573	226,445
-	-	-	-	7,053,846	7,053,846	259,250
-	-	-	-	-	176,429	10,134
490,452	404,377	564,772	528,982	7,064,621	12,447,708	8,311,879
-	-	-	-	-	58,423	39,802
-	-	-	-	-	128,534	23,880
-	-	-	-	-	5,908	37,127
-	-	-	-	-	88,391	50,013
1,446	14,367	14,928	1,000	-	40,963	44,532
-	-	-	-	-	312,016	308,890
-	-	-	-	-	19,944	19,430
-	-	-	-	-	13,850	17,284
-	-	-	-	-	30,737	34,310
-	-	-	-	-	867,723	597,489
1,446	14,367	14,928	1,000	-	1,566,489	1,172,757
618,494	1,438,267	1,101,071	434,880	6,910,637	20,363,662	15,657,997
(37,500)	(798,563)	(688,122)	-	-	(5,820,946)	(10,337,164)
580,994	639,704	412,949	434,880	6,910,637	14,542,716	5,320,833
1,814,104	1,435,213	2,235,595	1,952,265	-	16,008,244	(35,103,356)
1,722,116	1,185,519	2,372,490	2,045,367	153,984	12,346,747	(33,285,067)
15,522,073	17,002,281	18,189,063	19,041,949	153,396	166,812,120	200,097,187
					-	-
$ 17,244,189	$ 18,187,800	$ 20,561,553	$ 21,087,316	$ 307,380	$ 179,158,867	$ 166,812,120

NORTHERN DEVELOPMENT INITIATIVE TRUST
BALANCE SHEET
as at December 31, 2009

	Unrestricted	Endowment		
	Operating	Operating Endowment Account	Cross Regional Account	Pine Beetle Recovery Account
CURRENT ASSETS				
Cash	$ 478,544	$ -	$ -	$ -
Term deposit	-	-	-	-
Miscellaneous receivables	40,996	-	727,455	4,828
Prepaid expenses	28,337	-	-	-
Current portion of loans receivable (Note 4)	-	-	-	13,388
	547,877	-	727,455	18,216
LOANS RECEIVABLE (Note 4)	-	-	10,780,000	2,793,696
INVESTMENTS (Note 5)	208,337	25,000,000	40,087,577	21,678,269
CAPITAL ASSETS (Note 6)	121,867	-	-	-
	$ 878,081	$ 25,000,000	$ 51,595,032	$ 24,490,181
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	$ 61,577	$ -	$ 5,615	$ 3,606
Current portion of loans payable (Note 7)	-	-	-	-
	61,577	-	5,615	3,606
LOANS PAYABLE (Note 7)	-	-	-	-
	61,577	-	5,615	3,606
Contingencies (Note 11)				
Commitments (Note 12)				
FUND BALANCES				
Operating				
Endowment fund (Note 8)	-	25,000,000	-	-
Externally restricted - uncommitted	-	-	47,164,904	13,481,782
Externally restricted - committed (Schedule 1)	-	-	4,424,513	11,004,793
Unrestricted	694,637	-	-	-
	694,637	25,000,000	51,589,417	24,486,575
Capital				
Invested in capital assets (Note 9)	121,867	-	-	-
	816,504	25,000,000	51,589,417	24,486,575
	$ 878,081	$ 25,000,000	$ 51,595,032	$ 24,490,181

APPROVED BY THE BOARD

Director

Director

Restricted					Total	
Cariboo-Chilcotin Lillooet Regional Development Account	Northwest Regional Development Account	Northeast Regional Development Account	Prince George Regional Development Account	Other Trust Funds	2009	2008
$ -	$ -	$ -	$ -	$ 207,380	$ 685,924	$ 165,141
-	-	-	-	100,000	100,000	-
-	-	-	-	-	773,279	283,743
-	-	-	-	-	28,337	20,164
28,300	739,880	87,400	910,000	850,000	2,628,968	1,563,395
28,300	739,880	87,400	910,000	1,157,380	4,216,508	2,032,443
29,857	3,599,447	600,722	880,000	3,594,898	22,278,620	14,612,800
17,187,477	13,862,841	19,888,358	19,298,317	-	157,211,176	150,317,753
-	-	-	-	-	121,867	42,032
$ 17,245,634	$ 18,202,168	$ 20,576,480	$ 21,088,317	$ 4,752,278	$ 183,828,171	$ 167,005,028
$ 1,445	$ 14,368	$ 14,927	$ 1,001	$ -	$ 102,539	$ 150,876
-	-	-	-	850,000	850,000	-
1,445	14,368	14,927	1,001	850,000	952,539	150,876
-	-	-	-	3,594,898	3,594,898	-
1,445	14,368	14,927	1,001	4,444,898	4,547,437	150,876
-	-	-	-	-	25,000,000	25,000,000
16,490,190	17,333,878	19,288,884	17,381,277	77,190	131,218,105	137,271,121
753,999	853,922	1,272,669	3,706,039	230,190	22,246,125	3,908,601
-	-	-	-	-	694,637	632,398
17,244,189	18,187,800	20,561,553	21,087,316	307,380	179,158,867	166,812,120
-	-	-	-		121,867	42,032
17,244,189	18,187,800	20,561,553	21,087,316	307,380	179,280,734	166,854,152
$ 17,245,634	$ 18,202,168	$ 20,576,480	$ 21,088,317	$ 4,752,278	$ 183,828,171	$ 167,005,028

NORTHERN DEVELOPMENT INITIATIVE TRUST
STATEMENT OF CASH FLOWS
year ended December 31, 2009

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenditures	$ 12,346,747	$ (33,285,067)
Revaluation of investments at market, not affecting cash	(16,008,244)	35,103,356
Capital expenditures, included in operations	128,534	23,880
	(3,532,963)	1,842,169
Changes in non-cash operating working capital		
Increase in miscellaneous receivables	(489,536)	(228,341)
Decrease (increase) in GST receivable	-	16,152
Increase in prepaid expenses	(8,173)	(281)
(Decrease) increase in accounts payable and accrued liabilities	(48,337)	30,423
	(4,079,009)	1,660,122
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in term deposit	(100,000)	-
Loans advanced	(10,265,844)	(10,337,301)
Repayment of loans receivable	1,534,452	1,110,137
Decrease in investments	9,114,821	7,710,957
Capital asset additions	(128,534)	(23,880)
	154,895	(1,540,087)
CASH FLOWS FROM FINANCING ACTIVITY		
Increase in loans payable	4,444,898	-
INCREASE IN CASH	$ 520,784	120,035
CASH, BEGINNING OF YEAR	165,141	45,106
CASH, END OF YEAR	$ 685,925	$ 165,141

1. AUTHORITY

The Northern Development Initiative Trust is a not-for-profit organization incorporated under the Northern Development Initiative Trust Act in October 2004.

The vision of the Trust is that Northern British Columbia has world-class industries, diversified regional economies and growing, energetic communities. The mission of the Trust is to be a catalyst for Northern B.C. and grow a strong diversified economy by stimulating sustainable economic growth through strategic and leveraged investments. The British Columbia Provincial government awarded the Trust $135.0 million in 2004 and a further $50.0 million in 2005 in order to achieve these objectives.

2. FUTURE ACCOUNTING CHANGES

The Accounting Standards Board is working to develop an exposure draft to address the direction and timing of transition from current standards. The Board has tentatively decided that the exposure draft will propose a free choice for Not-for-profit organizations not subject to public sector accounting standards.

This means the Authority could choose between International Financial Reporting Standards or accounting standards for private enterprises with a modified section 4400 series.

In the interim, the Board has confirmed that the existing CICA Handbook will be maintained for use by the Not-for-profit sector until the new standards are approved.

3. SUMMARY OF ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and reflect the following significant accounting policies:

Fund accounting

The Trust follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the organization's general activities.

The Restricted Funds, Cross Regional Account, Pine Beetle Recovery Account, Cariboo-Chilcotin Lillooet Regional Development Account, Northwest Regional Development Account, Northeast Regional Development Account and Prince George Regional Development Account report contributions restricted to activities outlined in their respective strategic plans. The Other Trust Funds are comprised of Western Economic Diversification Community Adjustment Fund, Young Innovator Scholarship Fund and Special Projects Fund and report contributions restricted to activities outlined in their respective strategic plans.

Revenue recognition

Externally restricted contributions received for the Operating Endowment Account, Cross Regional Account, Pine Beetle Recovery Account, Cariboo-Chilcotin Lillooet Regional Development Account, Northwest Regional Development Account, Northeast Regional Development Account, Prince George Regional Development Account and Other Trust Funds are recognized as revenue in the year received. All other externally restricted contributions received are recognized in the Operating Fund as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue in the Operating Fund in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

3. SUMMARY OF ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Investment income is recognized when the income becomes due.

Externally restricted – committed funds

Committed externally restricted funds represent funds at year end for specific project proposals that have been approved by the Board of Directors, and the cash disbursement will not occur until a future date after year end once the conditions of the signed funding agreement are met.

Externally restricted – uncommitted funds

Uncommitted externally restricted funds represent funds not committed at year end to specific project proposals.

Grants and repayable grants

Grants and repayable grants awarded by the Trust are recognized when the conditions of the signed funding agreement are met.

Investments

Investments are recorded at market value.

Capital assets

Capital assets are recorded at cost. Amortization of equipment is calculated based on 20% for office furniture, 30% for computers and equipment, and 100% for software, using the straight-line method, over the useful life of the equipment. Amortization of leasehold improvements is based on the original lease term of 5 years.

Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from the use and eventual disposition of the assets. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

Income taxes

No provision has been made for income taxes in these financial statements as the Trust is exempt under Paragraph 149(1)(c) of the Income Tax Act.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from the estimates.

4. LOANS RECEIVABLE

	2009	2008
Cross Regional Development Account - Prince George Repayable in full in 2012 including interest at 5%	$ 10,780,000	$ 9,290,323
Cariboo-Chilcotin Lillooet Regional Development Account Repayable in annual instalments of $15,800 in 2010 - 2011, $14,057 in 2012 and $12,500 in 2013	58,157	41,031
Prince George Regional Development Account Repayable in annual instalments of $910,000 in 2010 and $880,000 in 2011	1,790,000	2,700,000
Northeast Regional Development Account Repayable in annual instalments of $87,400 in 2010 - 2017 including interest at 4%	688,122	-
Pine Beetle Recovery Account Repayable in annual instalments of $13,388 in 2010, $2,769,638 in 2011, $13,388 in 2012 and $10,670 in 2013, at interest rates of 0% and 6.8%, certain loans are secured by specific property, assignment of life insurance and personal guarantee	2,807,084	-
Western Economic Diversification Community Adjustment Fund Repayable in instalments of $850,000 in 2010, $1,500,000 in 2011 and 2012 and $594,898 in 2013	4,444,898	-
Northwest Regional Development Account Repayable in annual instalments of $894,880 in 2010, $739,880 in 2011 - 2012, $443,395 in 2013, $530,104 in 2014 and $330,396 in 2015 - 2017. Certain loans are secured by a $500,000 standby letter of credit and registered mortgage on specific property	4,339,327	4,144,841
	24,907,588	16,176,195
Current portion	2,628,968	1,563,395
	$ 22,278,620	$ 14,612,800

The above loans were issued under funding agreements, and other than the loans as noted in the Cross Regional, Northeast and Pine Beetle Recovery Accounts, are non-interest bearing.

NORTHERN DEVELOPMENT INITIATIVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2009

5. INVESTMENTS

The Trust's investments are held with SEI Investments Canada Co. The annual weighted average rate of return for 2009 was 13.9% and negative 14.5% for 2008. The investments are valued at current market value and accordingly have been increased by $16,008,243 in 2009 to reflect market value.

6. CAPITAL ASSETS

			2009	2008
	Cost	Accumulated Amortization	Net Book Value	
Operating fund				
Equipment	$ 243,981	$ 165,612	$ 78,369	$ 40,577
Vehicle	39,749	662	39,087	-
Leasehold improvements	5,610	1,199	4,411	1,455
	$ 289,340	$ 167,473	$ 121,867	$ 42,032

The Trust acquired capital assets at a cost of $128,534 during 2009 and $24,065 during 2008.

7. LOANS PAYABLE

The loans payable relate to the Western Economic Diversification Community Adjustment Fund and will be repaid under the same terms as detailed for the fund in Note 4.

8. ENDOWMENT FUND

The Endowment Fund was set up to receive proceeds of $25,000,000 from the Government of British Columbia in terms of the Northern Development Initiative Trust Act ("NDIT Act"). Interest or other income earned from the money invested may be used to cover operating expenses incurred by the directors and officers of the Trust to perform their obligations under the NDIT Act. Income earned on the endowment is recorded fully in the Operating Fund. Included in operations is investment income of $906,819 and revaluation of investment at market of $2,576,122 for the year ended December 31, 2009.

9. INVESTED IN CAPITAL ASSETS

	2009	2008
Change in invested in capital assets is as follows:		
Opening balance	$ 42,032	$ 55,223
Add investment in capital asset additions	128,534	24,065
Less capital asset disposals - net book value	(598)	(167)
Less amortization	(48,101)	(37,089)
Closing balance	$ 121,867	$ 42,032

NORTHERN DEVELOPMENT INITIATIVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2009

10. CAPITAL MANAGEMENT

The Trust defines capital to be its fund balances. The Trust's objective when managing capital is to ensure its continuation as a going concern. The Balance Sheet summarizes externally restricted net assets and the activity relating to the funds for the year.

11. CONTINGENCY

The Trust is contingently liable as guarantor of loans to Northwest Premium Meat Cooperative to the extent of $389,700.

12. COMMITMENTS

The Trust has entered into a five year agreement for the lease of premises. The lease agreement expires May 2010. The Trust has committed to $42,060 per annum for the lease of the premises.

13. EMPLOYEE FUTURE BENEFITS

The Trust, and its employees, contribute to the BC Public Service Pension Plan (the plan), a jointly trusteed pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 55,000 active members and approximately 33,000 retired members. Active members include approximately 85 contributors from the provincial government, crown corporations, government agencies, and not-for-profit organizations.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at March 31, 2008 indicated a surplus of $487 million for basic pension benefits. Since that time, financial markets have experienced significant downturn, and trustees will continue to closely monitor the impact this financial environment is having on the plan. Despite the modest surplus, the Public Service Pension Board of Trustees is required to implement a contribution rate increase to meet the funding requirements of the Pension Benefits Standards Act. The next valuation will be as at March 31, 2011 with results available late in the year. The actuary does not attribute portions of the unfunded liability to individual employers. The Trust paid $58,126 for employer contributions to the plan in 2009.

14. FINANCIAL INSTRUMENTS

Fair values

Cash, term deposit, miscellaneous receivables, and accounts payable and accrued liabilities are reflected in these financial statements at carrying values, which approximate fair values. The fair value of investments is $157,211,279 as at December 31, 2009. The fair value of the loans receivable is $25,963,596 as at December 31, 2009.

15. COMPARATIVE FIGURES

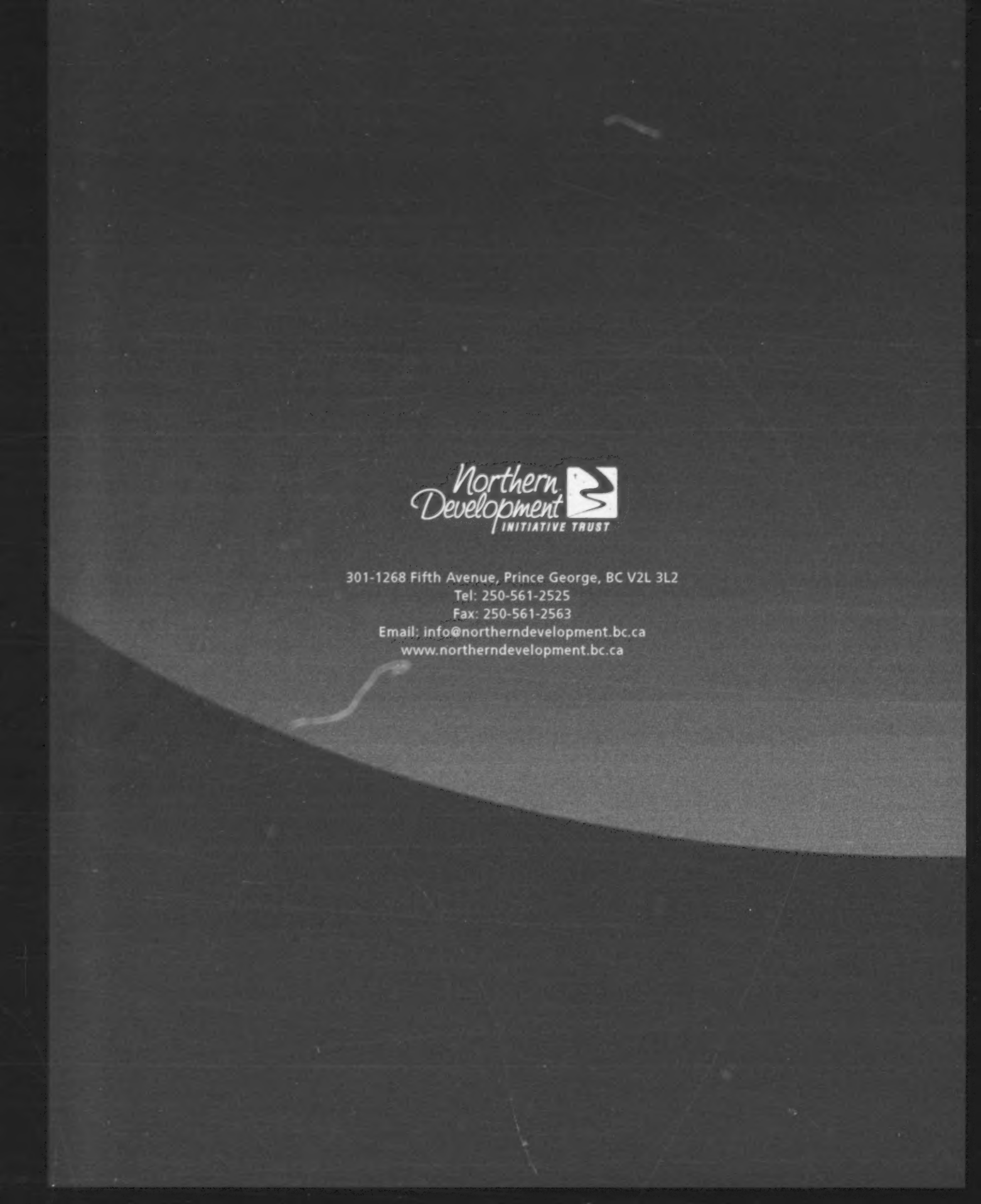
Certain of the prior year's comparative figures have been reclassified to conform to the current year's presentation.

NORTHERN DEVELOPMENT INITIATIVE TRUST
SCHEDULE OF EXTERNALLY RESTRICTED - COMMITTED FUNDS

SCHEDULE 1

year ended December 31, 2009

Account	Total Funding Approved	Total Funding Received	Current year Disbursements	Prior Years Disbursements	2009 Outstanding Commitments	2008 Outstanding Commitments
Cross Regional Account	$ 19,588,396	$ 19,588,396	$ 2,820,268	$ 12,343,615	**$ 4,424,513**	$ 2,102,477
Pine Beetle Recovery Account	19,315,138	19,315,138	7,040,045	1,270,300	**11,004,793**	273,770
Cariboo-Chilcotin/Lillooet Regional Development Account	5,068,073	5,068,073	618,494	3,695,580	**753,999**	388,450
Northwest Regional Development Account	9,590,559	9,590,559	1,438,267	7,298,370	**853,922**	871,854
Northeast Regional Development Account	3,222,840	3,222,840	1,101,071	849,100	**1,272,669**	243,050
Prince George Regional Development Account	8,309,472	8,309,472	434,880	4,168,553	**3,706,039**	29,000
Other Trust Fund Disbursements	30,269,249	7,250,619	6,910,637	109,792	**230,190**	-
TOTAL	$ 95,363,727	$ 72,345,097	$ 20,363,662	$ 29,735,310	**$ 22,246,125**	$ 3,908,601



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